

~~SECRET~~

*DK
File copy*

REC-ETSC-D _____
CIA _____
15 October 1958

US ECONOMIC INTELLIGENCE COMMITTEE
SUBCOMMITTEE ON ELECTRONICS AND TELECOMMUNICATIONS
Originating Agency - CIA/RR

25X1X7

1959 ELECTRONICS CONFERENCE

Economic Session

Paper No. 5

VALIDITY OF INTELLIGENCE ESTIMATES ON USSR TELECOMMUNICATIONS

GER Project 30.2419

VALIDITY OF INTELLIGENCE ESTIMATES ON USSR TELECOMMUNICATIONS

The overall postwar progress of the electronics industry of the USSR, as revealed in scientific and technological developments and in scale and range of product output, has been judged to be substantial, if not extraordinary. But the quality and quantity of electronics products used in existing basic telecommunications operating resources do not reflect that degree of progress. The crucial conclusions in Economic Intelligence Report CIA/RR 138, Post and Telecommunications Services in the USSR 1950-1957, and the Special Supplement thereto (which have been made available to conferees), is that "in spite of impressive growth, service has consistently lagged behind demand", that "existing resources meet the bare minimal needs of the economy today but are still inadequate to meet current demand", and that "This condition applies not only to the requirements of the Ministry of Communications but also to those of other ministries which operate telecommunications facilities, especially the Ministry of Defense". In the face of Soviet realism, which would not be expected to allow this resource to lag from 5 to 10 years behind other priority electronics developments, these conclusions appear to be suspect.

The apparent inconsistencies raise fundamental questions in intelligence. Are the above conclusions in RR 138 valid? If not, is the defect in lack of information (gaps), in interpretation of information, or elsewhere? If the conclusions are valid, why has the USSR

~~SECRET~~

neglected a resource which can contribute so much to control, cohesion, and acceleration of its manifold operating structures? One easy answer that has been offered is that the USSR still cannot do all things at all times simultaneously and must, in consequence, resort to priorities. But this answer does not explain the apparent low priority, if any, for telecommunications.

It is hoped, therefore, that the general background of the conferees -- both of technical substance and area familiarity -- will develop a cogent analysis of these important questions.